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PROFITS AND PRICE HIKES - £630 MILLION ADDED ONTO HOUSEHOLD ENERGY BILLS

Within a week of Britain's biggest energy company revealing a 24% increase in profits^[1], energy suppliers have completed a full round of price hikes that have added an astonishing £630 million onto household energy bills^[2] says uSwitch.com, the independent price comparison and switching service:

- **Final nail in the coffin: EDF Energy's price hike of 6.5% or £40 for gas and 7.3% or £32 for electricity comes into effect today (Wednesday 2nd March)^[3]**
- **Grim tally: suppliers have increased prices by an average of 5.6% or £35 for gas and 6.4% or £28 for electricity^[4]**
- **Big impact: in total, almost 28 million customers hit by price rise misery^[2]**
- **Average household energy bill rocketed by 41% or £334 from £819 to £1,153 in 2008. Subsequent price cuts saw it drop by 7.3% or £84 to £1,069 – latest hikes now see it hitting £1,132 again^[4]**
- **Consumers now paying £313 or 38% more for their energy than at the beginning of 2008^[4], but with £316 difference between the cheapest and most expensive energy plan in the market households are being urged to claim this money back again^[5].**

This winter's price hikes have added a staggering £630 million onto British household energy bills^[2] says uSwitch.com, the independent price comparison and switching service. In total, almost 28 million customers have been affected by price rises^[2], with the average annual bill now going up by £63 or 5.9% to £1,132^[4].

All of Britain's big six energy suppliers have now increased their prices. The final one to make the move, EDF Energy, sees its hike come into effect today (2nd March)^[3]. On average, suppliers have increased their prices by 5.6% or £35 for gas and 6.4% or £28 for electricity^[4]. The grim

tally comes just a week after Britain's biggest supplier, British Gas, revealed a 24% increase in residential profits. It increased its prices in December^[1].

Worryingly for consumers, this round of price hikes brings an abrupt end to a two year period of falling prices and brings the average bill up to £1,132, just £21 lower than when prices were at a peak in January 2009^[4].

Consumers are now paying £313 or 38% a year more for their household energy than at the beginning of 2008^[4]. But, interestingly, the difference between the cheapest energy plan in the market and the most expensive is now £316 a year^[5]. This gives consumers a golden opportunity to take their household energy prices back to 2008 levels just by ditching old fashioned and expensive standard tariffs and moving to a competitive online energy deal instead.

Ann Robinson, Director of Consumer Policy at uSwitch.com, says: "March marks the end of a round of energy price hikes that brought misery to British households this winter. EDF Energy will become the last of our big six suppliers to increase its prices, but at least by holding off until March it protected its customers through the coldest months. Unfortunately the same cannot be said of its rivals and as a result profits and price hikes will be on Ofgem's radar as it looks to shake the market up.

"The results of Ofgem's investigation cannot come too soon. With only around 3.5 million or one in ten households (13%) on suppliers' cheapest energy tariffs^[6], consumers really need to start using the competitive market to help themselves. Anything that Ofgem can do to give more people the confidence to do so has to be welcome.

"This winter's price hikes have opened up an opportunity for consumers to turn the clock back on their energy bills and take them back to 2008 levels. The difference between the cheapest and most expensive plan in the market is £316^[5] – I would urge anyone who hasn't yet ditched their old fashioned and expensive standard tariff to do so now and move to a competitive online plan instead. In a time of rising prices our best defence is to use less energy and to pay the lowest possible price for what we do use."

Average bill sizes:

Supplier	Jan 2008	Jan 2009	Jan 2010	Sept 2010	Now
British Gas	£821	£1,176	£1,066	£1,030	£1,097
	-	↑ 43% or £355	↓ 9.4% or £110	↓ 3.4% or £36	↑ 6.5% or £67
EDF Energy	£814	£1,083	£1,061	£1,037	£1,118
	-	↑ 33% or £269	↓ 2% or £22	↓ 2.3% or £24	↑ 7.8% or £81*
E.ON	£813	£1,156	£1,095	£1,061	£1,123
	-	↑ 42% or £343	↓ 5.3% or £61	↓ 3.1% or £34	↑ 5.8% or £62
npower	£828	£1,186	£1,150	£1,095	£1,149
	-	↑ 43% or £358	↓ 3% or £36	↓ 4.8% or £55	↑ 4.9% or £54
ScottishPower	£853	£1,201	£1,195	£1,152	£1,211
	-	↑ 41% or £348	↓ 0.5% or £6	↓ 3.6% or £43	↑ 5.1% or £59
SSE	£782	£1,118	£1,057	£1,038	£1,094
	-	↑ 43% or £336	↓ 5.5% or £61	↓ 1.8% or £19	↑ 5.4% or £56
Average	£819	£1,153	£1,104	£1,069	£1,132
	-	↑ 41% or £334	↓ 4.2% or £49	↓ 3.2% or £35	↑ 5.9% or £63

Source: uSwitch.com

Based on a medium user consuming 3,300kWh electricity and 16,500kWh gas a year on a standard plan paying on receipt of bill with bill sizes averaged across all regions. * EDF Energy increased its electricity prices in 11 out of 14 energy regions from the 1st October affecting 1.2 million customers or 37% of its electricity customers. The move was prompted by a shift in distribution costs rather than wholesale prices.

For more information visit www.uSwitch.com or call 0800 093 06 07

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Notes to editors:

1. Centrica's results (British Gas) 24th February, 2011.
2. Customers affected taken from individual supplier announcements as follows: SSE (announcement 29/10/2010) increase to affect around 3.6 million customers, British Gas (announcement 12/11/2010) increase will affect around 8 million customers, ScottishPower (announcement on 19/11/2010) move to affect around 2.5 million customers, nPower (announcement on 10/12/2010) move to affect around 6.2 million customers, E.ON (announcement on 11/01/2011) move to affect around 4.3 million customers. EDF Energy (announcement 3/2/2011) will affect 3.3 million customers. These add up to 27.9 million customers. uSwitch.com estimates 10 million standard plan customers based on 26 million households and Ofgem statistics showing that 7 million customers are on price guarantee plans, 3.5 million are on online tariffs, 3.8 million electricity customers and 2.6 million gas customers are on PPMs. The average increase from recent price rises for a customer on a standard plan, based on a medium user profile using 3,300kWh of electricity and 16,500kWh of gas paying on receipt of bill, is £63. Taking this increase over 10 million standard plan customers totals £630 million added to consumer bills.

3. EDF energy announcement 3/2/2011. Based on a medium user EDF Energy customer using 3,300 kWh of electricity and 16,500 kWh of gas, on a standard Dual Fuel plan, paying quarterly by cash or cheque with bill sizes averaged across all regions.
4. Based on a medium user customer using 3,300 kWh of electricity and 16,500 kWh of gas, on a standard Dual Fuel plan, paying quarterly by cash or cheque with bill sizes averaged across all suppliers and all regions. Average bill size 1st January, 2008 was £819 and £1,153 in January, 2009. Price cuts in 2009 and 2010 took the bill size back down to £1,069 – a £84 or 7.3% reduction.
5. Most expensive energy plan is ScottishPower's standard plan POR (see table in release above) £1,211 a year. Cheapest energy plan is British Gas' Websaver 11 at £895 a year. Difference between the two plans is £316.
6. Source: Ofgem.

About us

uSwitch.com is a free, impartial, online and telephone-based comparison and switching service, helping consumers compare prices on gas, electricity, water, heating cover, home telephone, broadband, digital television, mobile phones and personal finance products including mortgages, credit cards, current accounts and insurance. In 2010 uSwitch.com celebrated ten years of saving customers money.

The service is also available via fax and post. Consumers should fax 020 7233 5933 or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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